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Education & Skills Funding Agency

Notice Business Update - Issue 42 (March 2019)

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1. Apprenticeship service update

Considering making a transfer? Advice for employers sending or receiving a transfer of apprenticeship funds

Are you a levy-paying employer who is considering making a transfer? If so, then you need to be aware that any employers who are receiving funds will also need to have an account on the apprenticeship service.

We have some useful tips to help employers set up an apprenticeship service account.

Each account on the apprenticeship service must include at least one:

- account owner
- organisation
- PAYE scheme

To register a new account on the apprenticeship service the receiving employer will need:

- the account owner's email address
- the organisation's Companies House number, charity number, or public sector

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body name

• the PAYE scheme's Government Gateway credentials

If the receiving employer cannot find their Government Gateway credentials they should contact the HMRC helpdesk on 0300 200 3200.

For further support on this and other topics, please <u>view our blog</u> or our guidance video.



Public bodies can complete their apprenticeship report from 1 April

Public bodies will be able to complete the public sector apprenticeship report on the apprenticeship service from 1 April.

All public bodies in England with more than 250 employees must report on the apprenticeship target. This target is to employ at least 2.3% of the workforce as new apprenticeship starts for the period 1 April 2017 and 31 March 2021. It is assessed as an annual average over this four-year period, and progress is reported annually.

Reports are submitted using the public sector apprenticeship reporting tool which can be found within the organisation's <u>manage apprenticeships account</u>.

Certain public bodies are exempt from submitting a report, such as the BBC, Channel 4 and the Post Office. For more information or guidance on how to complete your public sector apprenticeships report search for <u>public sector</u> <u>apprenticeship target</u> on GOV.UK or watch our guidance video.

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Funding projection tool – expiry of funds release

The apprenticeship service has introduced a further development to the Funding Projection Tool, which employers can access in the finance section of their apprenticeship service account. From May 2019 onwards, levy-paying employers are able to see the projected estimate of monthly funds due to expire over the next four-year period.

For more information employers can read the <u>apprenticeship technical funding</u> <u>guide</u> or the content available on the funding projection tool page of their account.

Support videos are also available on our YouTube channel.

Employers with queries about the apprenticeship service can contact the National Contact Centre on 08000 150 600 or email <u>helpdesk@manage-apprenticeships.service.gov.uk</u>

2. Apprenticeship funding policy update

Funding policy updates from 1 April 2019

Employers who do not pay the levy or who want to invest more in apprenticeship training than is available in their digital account, need to make a financial contribution, a 'co-investment', towards the cost of training and assessment of apprentices, with government funding the remainder.

From 1 April 2019, this government funding will cover 95% of the maximum funding band rate for all new apprenticeship starts. Employers will pay the remaining 5% co-investment payment direct to the training provider.

Where the negotiated price for the apprenticeship exceeds the funding band, the employer is responsible for paying the amount above the funding band maximum, direct to the training provider.

For further details about apprenticeship funding are <u>available on GOV.UK</u> and in the <u>employer guide to apprenticeships</u>.

Apprenticeship funding rules

The ESFA <u>apprenticeship funding rules 2018 to 2019 (version 2)</u> were published on GOV.UK last week. The rules apply to all providers, employers and employersproviders receiving apprenticeship funding from ESFA.

We have made changes to this document due to the recent announcement on changes to co-investment. Other changes we have made are set out in the summary of changes section.

For the first time the funding rules are available in a web based version making them more accessible and easier to use. To hear more about this please register for our <u>funding rules webinar</u> on Tuesday 26 March.

Please complete our survey to send any comments or feedback.

End point assessment and completion payments

Confusion over End Point Assessment (EPA) costs and the completion payment has been raised as an issue. Feedback suggests that some organisations appear to be unaware of the distinction between these two payments and their intended use.

Key facts:

- 1. EPA costs are included in the total negotiated price for apprenticeship training.
- 2. Of this total negotiated price, 20% is held back as a completion payment until the end of the training.
- 3. The remaining 80% (including the funding to pay for EPA) is paid monthly to the training provider, in equal payments, over the planned duration of the programme.
- 4. Providers were already familiar with retention payments before the introduction of standards, Therefore, when devising the revised funding system, a common pattern of retaining payments across both standards and frameworks was

implemented, in order to avoid additional complexity in the funding approach.

- 5. For frameworks, which include several qualifications that are recognised individually through certification, there was not always an incentive for the provider, employer or apprentice to fully complete the apprenticeship. Retaining 20% of the total cost of training and on programme assessment as a final payment encouraged completion of the apprenticeship.
- 6. For standards, where there are fewer mandatory qualifications, and where the costs of EPA fall necessarily at the end of the apprentice's training, the retained payment recognises the timing of these costs.
- 7. All of these payments are taken from the employer's account.
- 8. The 20% retained for a completion payment should not be viewed as a guide price for EPA.

Further information regarding end point assessment and completion payments will be published shortly.

3. National Apprenticeship Week 2019 – Thank you!

The 12th annual National Apprenticeship Week was a great success and really highlighted the fantastic opportunities that an apprenticeship brings to employers, individuals and the economy.

We would like to take this chance to thank everyone who supported the week.

The 'Blaze a Trail' theme featured throughout the week and hundreds of employers took part in media, events and engagement activities, boosting the profile of apprenticeships across the country. The events and visits surpassed 1250, which is over 400 more than last year.

On Twitter we 'trended' with #NAW2019, #BlazeATrail and #AskAnApprentice - thank you for joining in the conversation!

We have produced <u>an infographic</u> highlighting the key successes from the week and <u>a rolling news story</u> featuring some of the key announcements and activities from the week.

4. Public sector target reporting "research brief" now published

The <u>research brief</u> summarises responses from public sector bodies to the apprenticeship target and future plans for delivery. It details successes and

challenges the public sector have faced in the first year of the public sector target.

Research shows that many public bodies that reported in the first year undertook activities to support the recruitment of more apprentices in the future <u>public sector</u> <u>research brief</u>.

5. Recognition of prior learning guidance now published

We have <u>published new guidance</u> on GOV.UK for training providers, employers and apprentices about the need for, and importance of recognition of prior learning

The apprenticeship funding rules state that the training provider must assess the individual's prior learning (education, training, qualifications and work experience) prior to the start of the apprenticeship.

The content, duration and price of the apprenticeship must be reduced to reflect relevant prior learning. The provider must document prior learning in the apprentice's evidence pack and commitment statement.

Initial assessment is subject to audit checks and funds may be recovered where initial assessment has not taken place, has not been evidenced or a price reduction has not been made.

The new guidance provides additional support and guidance to the <u>apprenticeship</u> <u>funding rules</u>.

6. NUS apprentice extra card

The NUS Apprentice extra card is a discount card dedicated to apprentices. NUS Apprentice extra provides discounts in-store and online and 1000s are already saving an average of £13.50 per month on everything from food and fashion to travel and tech.

If your apprentices are interested in the card, please tell them about <u>NUS</u> <u>Apprentice Extra</u>.

7. The National Society of Apprentices

The National Society of Apprentices (NSoA) works with more than 120 training

providers and employers, representing over 150,000 apprentices across the UK as the national voice of apprentices.

The society was set up to support apprentices, to champion their rights, to represent apprentices' views on a national level, and celebrate the part that they play in their communities. Membership of the society is free to training providers, colleges and employers.

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